

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3366

March 11, 2012

SUMMARY OF BILL: Requires all Boards governed by the Department of Commerce and Insurance's Division of Regulatory Boards and Department of Health's Division of Health Related Boards, to notify each holder of a license, certification, or registration of all meetings in which official business of the entity will be conducted at least 45 days in advance of the meeting.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Net Impact –

\$21,400/FY12-13/Division of Health Related Boards

**\$1,400/FY13-14 and Subsequent Years/Division of Health Related
Boards**

Decrease State Expenditures – Net Impact –

\$2,600/FY12-13 and Subsequent Years/Division of Regulatory Boards

Other Fiscal Impact – The net increase in expenditures of \$21,400 in FY12-13 and \$1,400 in FY13-14 and subsequent years will be covered by the current fund revenue of the Division of Health Related Boards. As of June 30, 2011, the Division had a cumulative balance of \$10,859,982.82.

Assumptions:

- According to the Department of Commerce and Insurance (TDCI), the Division of Regulatory Boards will modify the existing computer system, update forms, and subscribe to an email service to send out the notifications. TDCI indicates such modifications can be accomplished at minimal cost.
- TDCI will subscribe to an email service in order to email the notifications. The recurring increase in state expenditures for the email service is estimated to be \$2,460.
- Assuming 11,500 TDCI licensees opt into the email notification system, the recurring decrease in state expenditures is estimated to be \$5,060 (11,500 licensees x \$0.44 postage) per mailing.
- The net recurring decrease in the expenditures of the Division of Regulatory Boards is estimated to be \$2,600 (\$5,060 mailings - \$2,460 TDCI email service).

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- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting. The TDCI Boards had a cumulative closing balance of \$10,335,367 in FY10-11 and \$7,811,504 in FY09-10.
- According to the Department of Health (TDOH), the Department will upgrade the regulatory board data system (RBS) to allow for email address entry into a portal by licensees and for the automatic email notification of renewals, fee changes, or rule changes.
- The RBS database was developed and is managed by a contractor responsible for system modifications. The one-time increase in state expenditures is \$10,000.
- According to TDOH, the NIC online renewal system will require modifications by OIR to implement the requirements of this bill. The one-time increase in state expenditures is approximately \$10,000.
- According to TDOH, the Department will create a list serve for each Board to send notifications of fee increases and rule changes. The recurring increase in state expenditures is \$12,000.
- Assuming 10 percent, or 24,000 licensees, opt into the email system; the Department will reduce recurring state expenditures by approximately \$10,560 (24,000 licensees x \$0.44 postage) per mailing.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting. The TDOH Boards had a cumulative closing balance of \$10,859,983 in FY10-11 and \$5,416,959 in FY09-10.
- The net increase in state expenditures in FY12-13 for the Division of Health Related Boards is estimated to be \$21,440 (\$10,000 database modifications + \$10,000 NIC programming + \$12,000 email list serve - \$10,560 mailings). The net recurring increase in state expenditures in FY13-14 and subsequent years is \$1,440 (\$12,000 email list serve - \$10,560 mailings).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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